IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

AKECHETA MORNINGSTAR,	)	
	)	
Plaintiff,	)	
	)	
v.	)	C.A. No. 25-455 (MN)
	)	
NEW AMERICAN FUNDING,	)	
	)	
Defendant.	)	

MEMORANDUM OPINION

Akecheta Morningstar, Jackson, Mississippi – *Pro Se* Plaintiff

April 29, 2025
Wilmington, Delaware

NOREIKA, U.S. DISTRICT JUDGE:

On April 14, 2025, Plaintiff Akecheta Morningstar, of Jackson, Mississippi, initiated this civil action pro se, alleging claims arising from a contract dispute against Defendant New American Funding, incorporated in the State of Delaware. (*See* D.I. 2). Plaintiff has been granted leave to proceed *in forma pauperis*. (D.I. 4). The Court proceeds to review and screen the Complaint (D.I. 2) pursuant to 28 U.S.C. § 1915(e)(2)(b).

I. BACKGROUND

According to the civil cover sheet submitted with the Complaint, this case raises fraud and breach of contract claims by way of diversity jurisdiction for which Plaintiff seeks at least $80,000 in damages. (D.I. 2-1). Plaintiff asserts that this Court has jurisdiction to hear the case because he "sent certified documents to both [the American Arbitration Association] and [Defendant] and they both failed to open up a case." (D.I. 2 at 1). The following facts are taken from the Complaint and assumed to be true for purposes of screening the Complaint. *See Shorter v. United States*, 12 F.4th 366, 374 (3d Cir. 2021).

Around March 2022, Plaintiff sought to obtain a mortgage loan from Defendant. (D.I. 2 at 2). One of Defendant's employees and representatives, Chris Cooke, told Plaintiff that Plaintiff would need to pay several debts and complete $6,000 in repairs to be eligible for the loan. (*Id.*). Plaintiff did as Cooke instructed, and then Cooke sent Plaintiff a Truth in Lending disclosure, which Plaintiff signed and returned. (*Id.*). Two days later, Cooke sent Plaintiff an amended Truth in Lending disclosure, and Cooke personally explained the changes made to Plaintiff. (*Id.*). Plaintiff then reread the amended disclosure in full and discovered other changes that Cooke had not mentioned, specifically, Cooke had "changed the residence of [Plaintiff's] wife to be on the property [t]hat [Plaintiff's] daughter owns." (*Id.* at 2-3). When Plaintiff brought this change to

Cooke's attention, Cooke "retaliate[d] and cancel[ed] the whole deal, thus, causing [Plaintiff] monetary loss." (*Id.* at 3).

II. DISCUSSION

A federal court may properly dismiss an action *sua sponte* under the screening provisions of 28 U.S.C. § 1915(e)(2)(B) if "the action is frivolous or malicious, fails to state a claim upon which relief may be granted, or seeks monetary relief from a defendant who is immune from such relief." *Ball v. Famiglio*, 726 F.3d 448, 452 (3d Cir. 2013) (quotation marks omitted); *see also* 28 U.S.C. § 1915(e)(2) (*in forma pauperis* actions). The Court must accept all factual allegations in a complaint as true and take them in the light most favorable to a *pro se* plaintiff. *See Phillips v. County of Allegheny*, 515 F.3d 224, 229 (3d Cir. 2008). When a plaintiff proceeds pro se, the pleading is liberally construed, and the complaint, "however inartfully pleaded, must be held to less stringent standards than formal pleadings drafted by lawyers." *Erickson v. Pardus*, 551 U.S. 89, 94 (2007).

A complaint is not automatically frivolous because it fails to state a claim. *See Dooley v. Wetzel*, 957 F.3d. 366, 374 (3d Cir. 2020). Rather, a claim is deemed frivolous only where it relies on an "'indisputably meritless legal theory' or a 'clearly baseless' or 'fantastic or delusional' factual scenario.'" *Id*.

The legal standard for dismissing a complaint for failure to state a claim pursuant to § 1915(e)(2)(B)(ii) is identical to the legal standard used when ruling on Rule 12(b)(6) motions. *Tourscher v. McCullough*, 184 F.3d 236, 240 (3d Cir. 1999). A well-pleaded complaint must contain more than mere labels and conclusions. *See Ashcroft v. Iqbal*, 556 U.S. 662 (2009); *Bell Atl. Corp. v. Twombly*, 550 U.S. 544 (2007). A plaintiff must plead facts sufficient to show that a claim has substantive plausibility. *See Johnson v. City of Shelby*, 574 U.S. 10, 12 (2014)

(per curiam). A complaint may not be dismissed, however, for imperfect statements of the legal theory supporting the claim asserted. *See id*. at 11.

A court reviewing the sufficiency of a complaint must take three steps: (1) take note of the elements the plaintiff must plead to state a claim; (2) identify allegations that, because they are no more than conclusions, are not entitled to the assumption of truth; and (3) when there are well-pleaded factual allegations, assume their veracity and then determine whether they plausibly give rise to an entitlement to relief. *Connelly v. Lane Constr. Corp*., 809 F.3d 780, 787 (3d Cir. 2016). Elements are sufficiently alleged when the facts in the complaint "show" that the plaintiff is entitled to relief. *Iqbal*, 556 U.S. at 679 (quoting Fed. R. Civ. P. 8(a)(2)). Deciding whether a claim is plausible will be a "context-specific task that requires the reviewing court to draw on its judicial experience and common sense." *Id.*

To establish that this suit can be filed with this Court, Plaintiff must show that "the AAA declined to administer the arbitration under [Commercial Arbitration] Rule 1(d)." *Hernandez v. MicroBilt Corp.*, 88 F.4th 215, 217 (3d Cir. 2023). Yet the Complaint merely states that the AAA has failed to open a case. (*See* D.I. 2 at 1). Additional information and supporting documentation are needed to establish that the AAA has declined to administer arbitration under Rule 1(d). Accordingly, the Complaint will be dismissed, pursuant to 28 U.S.C. § 1915(e)(2), for failure to state a claim, and Plaintiff will be granted leave to amend the Complaint (D.I. 2).

III. CONCLUSION

For the above reasons, the Court will dismiss without prejudice the Complaint (D.I. 2), pursuant to 28 U.S.C. § 1915(e)(2)(B)(ii). The Court will grant leave to amend.

An appropriate Order will be entered.